

VOLUNTARY SEPARATION INCENTIVE PAY (BUYOUTS)

Authorized by 5 USC 5597, the Department has used buyouts since 1993, to reduce involuntary separations during its downsizing. Under the buyout program, we can pay employees up to \$25,000 to leave voluntarily, if this will avoid an involuntary separation due to reduction in force (RIF). Buyout takers are prohibited from reemployment within the Department for 12 months after separation, and may not be reemployed by any Federal agency within 5 years unless they repay the incentive. Buyouts are an extremely effective tool in reducing downsizing costs from both a financial and morale perspective, and have been used at most downsizing installations. The authority to offer buyouts has been delegated to Components. Buyouts are always targeted to surplus occupations and grades to avoid involuntary separations. This gives management the ability to control the downsizing more selectively than is possible through RIF. Buyouts can also be used for force shaping or to correct skills imbalances. DoD must remit 15 percent of the final, annual basic pay of the separating employee to the Civil Service Retirement and Disability Fund (CSRDF).